



# Financial Services (Banking Reform) Act 2013

## CHAPTER 33

### FINANCIAL SERVICES (BANKING REFORM) ACT 2013

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*Status: Point in time view as at 31/12/2014.*

*Changes to legislation: There are currently no known outstanding effects for the Financial Services (Banking Reform) Act 2013. (See end of Document for details)*

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*Status: Point in time view as at 31/12/2014.*

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## SCHEDULE 1 — Ring-fencing transfer schemes

- 1 Part 7 of FSMA 2000 (control of business transfer schemes)...
- 2 For “the authorised person concerned”, wherever occurring in Part 7...
- 3 (1) Section 103A (meaning of “the appropriate regulator”) is amended...
- 4 In section 106 (banking business transfer schemes), at the end...
- 5 After section 106A insert— Ring-fencing transfer scheme (1) A scheme is a ring-fencing transfer scheme if it—...
- 6 (1) Section 107 (application for order sanctioning transfer scheme) is...
- 7 For the heading to section 109 substitute “ Scheme reports:...
- 8 After section 109 insert— Scheme reports: ring-fencing transfer schemes (1) An application under section 106B in respect of a...
- 9 (1) Section 110 (right to participate in proceedings) is amended...
- 10 (1) Section 111 (sanction of court for business transfer schemes)...
- 11 In section 112 (effect of order sanctioning business transfer scheme),...
- 12 In section 112A (rights to terminate etc.), in subsection (1),...
- 13 In Schedule 12 (transfer schemes: certificates) after Part 2A insert—...

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## SCHEDULE 2 — Bail-in stabilisation option

### PART 1 — AMENDMENTS OF BANKING ACT 2009

1 The Banking Act 2009 is amended as follows.

#### *New stabilisation option: bail-in*

2 After section 12 insert— Bail-in option (1) The third stabilisation option is exercised by the use...

3 After section 8 insert— Specific condition: bail-in (1) The Bank of England may exercise a stabilisation power...

#### *Further provision about the bail-in option*

4 After section 48A insert— Bail-in option Special bail-in provision (1) “Special bail-in provision”, in relation to a bank, means...

#### *Transfers of property*

5 (1) After section 41 insert— Transfer of property subsequent to...

#### *Compensation*

6 (1) In section 49 (orders)— (a) in subsection (1), for...

#### *Groups*

7 (1) After section 81B insert— Bail-in option (1) The Bank of England may exercise a stabilisation power...

#### *Banks regulated by the Financial Conduct Authority*

8 In section 83A (modifications of Part 1 as it applies...

#### *Recognised central counterparties*

9 In section 89B (application of Part 1 of the Act...

#### *Insolvency proceedings*

10 In section 120 (notice to Prudential Regulation Authority of preliminary...

#### *State aid*

11 After section 256 insert— State aid State aid (1) This section applies where— (a) the Treasury are of...

#### *Other amendments of the Act*

12 (1) Section 1 (overview) is amended as follows.

13 In section 13 (temporary public ownership), in subsection (1), for...

14 In section 17 (share transfers: effect)— (a) in subsection (1),...

15 In section 18 (share transfers: continuity), after subsection (5) insert—...

16 In section 44 (reverse property transfer)— (a) in subsection (2),...

17 In section 63 (general continuity obligation: property transfers), in subsection...

18 In section 66 (general continuity obligation: share transfers)—

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- 19 In section 67 (special continuity obligation: share transfers), in subsection...
  - 20 In section 68 (continuity obligations: onward share transfers), in subsection...
  - 21 In section 71 (pensions), in subsection (1)—
  - 22 In section 72 (enforcement), in subsection (1)—
  - 23 In section 73 (disputes), in subsection (1)—
  - 24 In section 74 (tax), in subsection (6), for “or 45”...
  - 25 After section 80 insert— Transfer for bail-in purposes: report (1) This section applies where the Bank of England makes...
  - 26 In section 81A (accounting information to be included in reports)...
  - 27 In section 85 (temporary public ownership), in subsection (1), for...
  - 28 In section 136 (overview), in the Table in subsection (3),...
  - 29 After section 152 insert— Property transfer from transferred institution (1) This section applies where the Bank of England—
  - 30 In section 220 (insolvency etc), after subsection (4) insert—
  - 31 In section 259 (statutory instruments)— (a) in the Table in...
  - 32 In section 261 (index of defined terms), in the Table,...
- PART 2 — MODIFICATION OF INVESTMENT BANK SPECIAL  
ADMINISTRATION REGULATIONS 2011
- 33 (1) This paragraph modifies the application of the Investment Bank...

#### SCHEDULE 3 — Consequential amendments relating to Part 4

##### *Financial Services and Markets Act 2000*

- 1 (1) Section 59 of FSMA 2000 (approval for particular arrangements)...
- 2 (1) Section 59A of FSMA 2000 (specifying functions as controlled)...
- 3 (1) Section 63 of FSMA 2000 (withdrawal of approval) is...
- 4 In section 63A of FSMA 2000 (power to impose penalties),...
- 5 (1) Section 66 of FSMA 2000 (disciplinary powers) is amended...
- 6 (1) Section 67 of FSMA 2000 (disciplinary measures: procedure and)...
- 7 In section 69 of FSMA 2000 (statement of policy), in...
- 8 In section 138A of FSMA 2000 (modification or waiver of)...
- 9 In section 138D of FSMA 2000 (actions for damages), in...
- 10 In section 140A of FSMA 2000 (interpretation), in the definition...
- 11 In section 347 of FSMA 2000 (the record of authorised)...
- 12 In section 387 of FSMA 2000 (warning notices), in subsection...
- 13 In section 388 of FSMA 2000 (decision notices), in subsection...
- 14 In section 395 of FSMA 2000 (supervisory notices), in subsection...
- 15 (1) Section 415B of FSMA 2000 (consultation in relation to)...
- 16 In Schedule 1ZA to FSMA 2000 (the Financial Conduct Authority),...
- 17 In Schedule 1ZB to FSMA 2000 (the Prudential Regulation Authority),...

##### *Financial Services Act 2012*

- 18 In section 14 of the Financial Services Act 2012, omit...
- 19 (1) Section 85 of the Financial Services Act 2012 (relevant)...

#### SCHEDULE 4 — The Payment Systems Regulator



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### *Introductory*

- 1 In this Schedule— (a) “the Regulator” means the Payment Systems...

### *Constitution*

- 2 (1) The constitution of the Regulator must provide for it...

### *Status*

- 3 (1) The Regulator is not to be regarded as exercising...

### *Budget*

- 4 (1) The Regulator must adopt an annual budget which has...

### *Arrangements for discharging functions*

- 5 (1) The Regulator may make arrangements for any of its...

### *Annual plan*

- 6 (1) The Regulator must in respect of each of its...

### *Annual report*

- 7 (1) At least once a year, the Regulator must make...

### *Audit of accounts*

- 8 (1) The Regulator must send a copy of its annual...

### *Funding*

- 9 (1) For the purposes mentioned in sub-paragraph (2) the FCA...

### *Penalty receipts*

- 10 (1) The Regulator must in respect of each of its...  
11 (1) The Regulator must prepare and operate a scheme (“the...  
12 (1) The scheme details must be published by the Regulator...

### *Records*

- 13 The Regulator must maintain satisfactory arrangements for—

### *Exemption from liability in damages*

- 14 (1) None of the following is to be liable in...

### *Freedom of information*

- 15 In Part 6 of Schedule 1 to the Freedom of...

### *Equality*

- 16 In Part 1 of Schedule 19 to the Equality Act...

SCHEDULE 5 — Procedure for appeals to the CMA

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*Functions of CMA to be discharged by group*

- 1 Except where specified otherwise in this Schedule, the functions of...  
2 (1) Schedule 4 to the Enterprise and Regulatory Reform Act...

*Application for permission to bring appeal*

- 3 (1) An application for permission to bring an appeal may...

*Suspension of decision*

- 4 (1) The CMA may direct that, pending the determination of...

*Time limit for representations and observations by the Regulator*

- 5 (1) Sub-paragraph (2) applies where the Payment Systems Regulator wishes...

*Consideration and determination of appeal by group*

- 6 (1) A group constituted by the chair of the CMA...

*Time limits for determining appeal*

- 7 (1) The CMA must determine an appeal within the period...

*Matters to be considered on appeal*

- 8 (1) The CMA, if it thinks it necessary to do...

*Production of documents etc*

- 9 (1) For the purposes of this Schedule, the CMA may...

*Oral hearings*

- 10 (1) For the purposes of this Schedule an oral hearing...

*Written statements*

- 11 (1) The CMA may by notice require a person to...

*Expert advice*

- 12 Where permission to bring an appeal is granted under paragraph...

*Defaults in relation to evidence*

- 13 (1) If a person (“the defaulter”)— (a) fails to comply...  
14 (1) A person who wilfully alters, suppresses or destroys a...

*Determination of appeal by CMA*

- 15 (1) A determination by the CMA on an appeal—

*Appeal rules*

- 16 (1) The CMA Board may make rules of procedure regulating...

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### *Costs*

- 17 (1) A group that determines an appeal must make an...

### *Interpretation*

- 18 (1) In this Schedule— “appeal” means an appeal made in...

### SCHEDULE 6 — Conduct of FMI administration

- 1 The following provisions of this Schedule provide for—  
2 The provisions set out in the Tables apply in relation...  
3 The modifications are that— (a) a reference to the administrator...  
4 Powers conferred by this Part of this Act and by...  
5 A reference in an enactment or other document to anything...  
6 (1) The Treasury may by order amend this Schedule so...

### SCHEDULE 7 — Financial market infrastructure transfer schemes

#### *Application of Schedule*

- 1 This Schedule applies where— (a) the court has made an...

#### *Interpretation of Schedule*

- 2 In this Schedule— “FMI transfer scheme” has the meaning given...

#### *FMI administrator to act on behalf of old company*

- 3 It is for the FMI administrator, while the FMI administration...

#### *Making of FMI transfer schemes*

- 4 (1) The old company may— (a) with the consent of...

#### *Provision that may be made by a scheme*

- 5 (1) An FMI transfer scheme may contain provision—

#### *Further provision about transfers*

- 6 (1) An FMI transfer scheme may make incidental, supplemental, consequential...

#### *Effect of scheme*

- 7 (1) In relation to each provision of an FMI transfer...

#### *Subsequent modification of scheme*

- 8 (1) The Bank of England may by notice to the...

#### *Provision relating to foreign property*

- 9 (1) An FMI transfer scheme may contain provision about—

#### *Application of Schedule to transfers to subsidiaries*

- 10 Where a proposed transfer falling within subsection (5) of section...

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SCHEDULE 8 — Functions of FCA under competition legislation  
PART 1 — AMENDMENTS OF FINANCIAL SERVICES AND MARKETS ACT  
2000

- 1 Part 16A of FSMA 2000 (consumer protection and competition) is...
- 2 Omit section 234H (power of FCA to make request to...
- 3 After section 234H insert— The FCA's functions under Part 4...
- 4 In section 3I of FSMA 2000 (power of PRA to...
- 5 In section 348 of FSMA 2000 (restrictions on disclosure of...
- 6 In section 354A of FSMA 2000 (FCA's duty to co-operate...
- 7 (1) Schedule 1ZA to FSMA 2000 (the Financial Conduct Authority)...

PART 2 — AMENDMENTS OF OTHER LEGISLATION

*Company Directors Disqualification Act 1986*

- 8 In section 9E of the Company Directors Disqualification Act 1986...

*Competition Act 1998*

- 9 In section 54 of the Competition Act 1998 (regulators), in...

*Enterprise Act 2002*

- 10 (1) Section 136 of the Enterprise Act 2002 (investigations and...

*Enterprise and Regulatory Reform Act 2013*

- 11 In section 52(4) of the Enterprise and Regulatory Reform Act...
- 12 In Schedule 4 to the Enterprise and Regulatory Reform Act...

SCHEDULE 9 — Building societies

*Introductory*

- 1 The Building Societies Act 1986 is amended as follows.

*Exclusion of small business deposits from funding limit*

- 2 (1) Section 7 (the funding limit) is amended as follows....
- 3 (1) In article 3 of the Building Societies Act 1986...

*Ability to create floating charges*

- 4 (1) Omit section 9B (restriction on creation of floating charges)....

*Annual business statements*

- 5 (1) Section 74 (duty of directors to prepare annual business...

*Summary financial statements*

- 6 (1) Section 76 (summary financial statement for members and depositors)...
- 7 In consequence of the amendments made by paragraph 6—

*Transfers of business: distributions and share rights*

- 8 (1) Section 100 (regulated terms etc: distributions and share rights)...

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*Methods of communicating with members etc*

- 9 After section 115 insert— Deemed agreement to use of web...
- 10 In the following provisions, omit “, in a manner agreed...
- 11 In section 81(3B)(c), omit “, in a manner agreed for...
- 12 (1) Schedule 2 is amended as follows.
- 13 In paragraphs 3(2B)(c) and 9(2B)(c) of Schedule 8A, omit “in...
- 14 (1) Schedule 11 is amended as follows.

*Financial year*

- 15 (1) Section 117 (financial year of building societies) is amended...
- 16 After section 117 insert— Alteration of financial year (1) A building society may by notice given to the...
- 17 In Schedule 20 (transitional and saving provisions), omit paragraph 16...
- 18 The amendments made by paragraphs 15 to 17 have effect...

SCHEDULE 10 — Minor amendments

*Companies Act 1985*

- 1 In Schedule 15D to the Companies Act 1985 (disclosures), omit...

*Financial Services and Markets Act 2000*

- 2 In section 376 of FSMA 2000 (continuation of contracts of...
- 3 (1) Part 25 of FSMA 2000 (injunctions and restitution) is...
- 4 (1) In Schedule 1ZA to FSMA 2000 (the Financial Conduct...
- 5 In Schedule 17A to FSMA 2000 (further provision in relation...

*Income Tax Act 2007*

- 6 In section 991 of the Income Tax Act 2007 (meaning...

*Banking Act 2009*

- 7 In section 89B of the Banking Act 2009 (application to...
- 8 In section 191 of the Banking Act 2009 (directions), in...

*Financial Services Act 2012*

- 9 In section 73 of the Financial Services Act 2012 (duty...
- 10 (1) Section 85 of the Financial Services Act 2012 (relevant...

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